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27 March 1950

Mr. [REDACTED]

Legal Staff

Draft of Proposed Circular to be Issued by GSA on Exchange and Sale of Property.

1. Reference is made to your memorandum of 17 March 1950, forwarding therewith a draft of a proposed circular dated 8 March 1950, relative to procedures to be followed under Section 201 of Public Law 152, 81st Congress. You have requested our comments on the proposed circular not later than 27 March, which is today.

2. The Comptroller General has always held that in the absence of statutory authority the value of old equipment disposed of by sale or exchange in connection with the acquisition of new equipment is for deposit and covering into the Treasury as miscellaneous receipts in accordance with the requirements of Statutes, Section 3618, Revised, the gross price of the new equipment to be charged to the appropriation. Prior to the enactment of Public Law 600, 79th Congress, certain agencies were given statutory authority to exchange old equipment in whole or in part payment for new. The effect of such authority was to eliminate the necessity for covering the exchange value of the old equipment into the Treasury as miscellaneous receipts so that only the net cash paid for the new equipment was chargeable to the appropriation. As you have undoubtedly noted, the statutes are repealed by Section 502 (a)(8) to (26). The language of Section 201 (c) of Public Law 152 is obviously intended to be sufficiently broad to preserve all existing authority. Hence this office has no comment except to observe that it appears to be a compilation of existing statutes.

3. Section 5 (a)(b) and (c) of the proposed circular contains an excellent resume of the decisions of the Comptroller General in connection with the extension of such terms as similar and the other recognized requirements which have usually characterized these transactions. 27 Comp. Gen. 30, 135, 477, 540, 563; 28 Comp. Gen. 256.

4. Section 6 of the proposed circular appears to be consistent with Section 12 (c) of the Surplus Property Act of 1944 and other appropriate decisions which cover the transfer, exchange, and sale of property between executive establishments and agencies.

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Attach:

Memo 17 March to G.C. and SSC

Proposed GSA Circular

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Approved For Release 2001/08/28 : CIA-RDP57-00384R000800170005-3

cc: Subject

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no attachment